

AMENDED IN ASSEMBLY MAY 24, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1007

Introduced by Assembly ~~Member Cook~~ *Members Cook and Perea*

February 18, 2011

An act to add Section 6397 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1007, as amended, Cook. Sales and use ~~tax~~ *taxes*: exemption: back-to-school products.

The Sales and Use Tax Law imposes a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state.

This bill would provide an exemption from the sales tax for the gross receipts from the ~~retail~~ sale of *a* qualified back-to-school ~~products~~ *product*, as defined, ~~sold~~ to a qualified purchaser, as defined, during a specified period in August of each year, commencing in 2012 *and ending in 2016*.

The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes counties and cities to impose local sales and use taxes in conformity with the Sales and Use Tax Law, and existing law authorizes districts, as specified, to impose transactions and use taxes in accordance with the Transactions and Use Tax Law, which conforms to the Sales and Use Tax Law. Exemptions from state sales and use taxes are incorporated into these laws. ~~Section 2230 of the Revenue and Taxation~~

Code provides that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.

This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill *specify that this exemption does not apply to local sales and use taxes, transactions and use taxes, and specified state taxes from which revenues are deposited into the Local Public Safety Fund, the Local Revenue Fund, or the Fiscal Recovery Fund.*

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: ~~yes~~-no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6397 is added to the Revenue and
2 Taxation Code, to read:

3 6397. (a) In 2012 and each calendar year thereafter *until*
4 *January 1, 2016*, for the three-day period beginning at 12:01 a.m.
5 on the first Friday of August and ending at ~~12:00 midnight on the~~
6 ~~first Monday of August~~ *11:59 p.m. on the following Sunday*, there
7 are exempted from the computation of the amount of the sales tax
8 the gross receipts from the sale of ~~qualified back-to-school products~~
9 *a qualified back-to-school product* to a qualified purchaser.

10 (b) For purposes of this section, the following definitions shall
11 apply:

12 (1) ~~“Qualified back-to-school products” include:~~

13 (A) ~~Individual articles of clothing with a retail price that is not~~
14 ~~more than one hundred dollars (\$100).~~

15 (B) ~~Footwear with a retail price that is not more than one~~
16 ~~hundred dollars (\$100).~~

17 (C) ~~School supplies, including, but not limited to, pens, paper,~~
18 ~~pencils, binders, notebooks, school textbooks, book bags,~~
19 ~~backpacks, lunchboxes, and calculators with a retail price that is~~
20 ~~not more than one hundred dollars (\$100).~~

21 (D) ~~Sports equipment with a retail price that is not more than~~
22 ~~one hundred dollars (\$100).~~

23 (1) *“Qualified back-to-school product” means any of the*
24 *following products, if the gross receipts from the sale of that*
25 *product are one hundred dollars (\$100) or less:*

- 1 (A) *Backpacks.*
- 2 (i) *“Backpack” means a messenger bag or a pack with straps*
- 3 *that a person wears on his or her back, including a backpack with*
- 4 *wheels if the backpack can also be worn on the back.*
- 5 (ii) *“Backpack” shall not include an item that is commonly*
- 6 *considered luggage, a briefcase, an athletic bag, a duffle bag, a*
- 7 *gym bag, a computer bag, a purse, or a framed backpack.*
- 8 (B) *Binders.*
- 9 (C) *Blackboard chalk.*
- 10 (D) *Book bags.*
- 11 (E) *Calculators.*
- 12 (F) *Cellophane tape.*
- 13 (G) *Compasses.*
- 14 (H) *Composition books.*
- 15 (I) *Crayons.*
- 16 (J) *Dividers.*
- 17 (K) *Erasers.*
- 18 (L) *Folders, including expandable, pocket, plastic, or manila*
- 19 *folders.*
- 20 (M) *Geometry sets.*
- 21 (N) *Glue, paste, and glue sticks.*
- 22 (O) *Highlighters.*
- 23 (P) *Index cards.*
- 24 (Q) *Lunch boxes.*
- 25 (R) *Markers.*
- 26 (S) *Notebooks.*
- 27 (T) *Notepads.*
- 28 (U) *Pencil boxes and other school supply boxes.*
- 29 (V) *Pencils.*
- 30 (W) *Pencil sharpeners.*
- 31 (X) *Pens.*
- 32 (Y) *Protractors.*
- 33 (Z) *Rulers.*
- 34 (AA) *Scissors.*
- 35 (AB) *Student planners.*
- 36 (AC) *Writing tablets.*
- 37 (2) *“Qualified purchaser” means an individual who, during the*
- 38 *period described in subdivision (a), purchases the qualified*
- 39 *back-to-school products at the retailer’s physical place of business.*

1 (c) (1) Notwithstanding any provision of the Bradley-Burns
2 Uniform Local Sales and Use Tax Law (Part 1.5 (commencing
3 with Section 7200)) or the Transactions and Use Tax Law (Part
4 1.6 (commencing with Section 7251)), the exemption established
5 by this section shall not apply with respect to any tax levied by a
6 county, city, or district pursuant to, or in accordance with, either
7 of those laws.

8 (2) Notwithstanding subdivision (a), the exemption provided by
9 this section shall not apply with respect to any tax levied pursuant
10 to Section 6051.2, 6051.5, 6201.2, or 6201.5, or pursuant to Section
11 35 of Article XIII of the California Constitution.

12 ~~SEC. 2. Notwithstanding Section 2230 of the Revenue and~~
13 ~~Taxation Code, no appropriation is made by this act and the state~~
14 ~~shall not reimburse any local agency for any sales and use tax~~
15 ~~revenues lost by it under this act.~~

16 ~~SEC. 3.~~

17 SEC. 2. This act provides for a tax levy within the meaning of
18 Article IV of the Constitution and shall go into immediate effect.